

9 May 1979

## MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 9 May 1979

25X1

The Director was at his EOB office; Mr. Carlucci chaired the meeting.

25X1

Hetu reported that Tad Szulc would be visiting Hetu at Headquarters today regarding an article--"State of Intelligence"--that Szulc is preparing for the New York Times. Hetu suggested that it would be worthwhile sometime for Szulc, who has not treated CIA well in previous articles, to spend a little time with Mr. Carlucci. Mr. Carlucci agreed that, when time permits, he will have a chat with Szulc.

25X1

Hitz reported that Admiral Inman and Bob Bowie will be in attendance at the DCI's meeting on the Hill this evening with Senator Durenberger and Senate freshman Republicans. Hitz asked Hetu if he is prepared to respond to queries if the Administration should make an official announcement on SALT today. Hetu said that he does not have a prepared response--queries should be addressed to State and Defense--other than responding to questions on the verification aspect of SALT. Hitz believes that the media generally is ready to release numerous articles on SALT once an official announcement is made. Hitz reported also that [ ] will be appearing before the HPSCI on Thursday regarding the South African incident. [ ] commented that, in response to the Director's request, he will be in attendance. Hitz noted that HPSCI staffers, Long and Goldman, would be in the building today and that it would be meaningful for Mr. Carlucci to personally thank these two men for their effective support of the CIA Program during the budget review. Mr. Carlucci agreed to do so.

25X1

25X1

25X1

25X1

25X1

25X1

May reported that the Office of Security [ ] has been forced to a 4-hour work day due to the gasoline shortage [ ] Solutions, including a request for a GSA vehicle, are being explored.

25X1

25X1

UNCODED

SECRET

25X1

[ ] reported that, yesterday, he got a first look at HPSCI language in its report on the 1980 NFIP budget; he will provide the Director and Mr. Carlucci with a memorandum on this today. He noted that General Bob Rosenberg (NSC Staff) had seen the report before us. Hitz added that Rosenberg has unwisely overreacted by making phone calls to the Committee, advising of the President's alleged displeasure with action taken to fund [ ] in the 1980 budget. Hitz said he sent a memo to the DCI a couple days ago advising the DCI try to defuse the Rosenberg effort, to avert any chance of direct and unwarranted involvement by the President. [ ] noted also that the difference between the HPSCI and SSCI regarding imaging systems was "tiny."

25X1

25X1

25X1

Mr. Carlucci asked if we have received copies of any recent State cables from Deputy Secretary Christopher on progress in his negotiations with [ ] collection. Evans said he would check with State. [ ]

25X1

25X1

Mr. Carlucci asked Hetu to ensure wide dissemination of the speech given yesterday in the auditorium by Attorney General Bell. Hetu said this is being done and in response to the Department of Justice, we are sanitizing Q&As, as is Justice, to be released only by Justice to the press. Mr. Carlucci expressed his reservation on the merit of releasing the Q&A in which the Attorney General dealt with the Agee case. Mr. Carlucci felt that the Attorney General's current position on this case is left wanting. [ ]

25X1

25X1

Attachment

SECRET

# CIA, Military Ride High on Space Shuttle

By John J. Fialka  
Washington Star Staff Writer

The Defense Department and the CIA are becoming more deeply involved in the space shuttle program as that program nears its final testing stage.

In fact, the growing strategic role of the shuttle is threatening some other U.S. space programs as backers of the shuttle search for an estimated \$600 million to protect the program's defense-related aspects from the shuttle's latest cost overrun.

The strategic side of the shuttle also is causing the National Aeronautics and Space Administration to tighten security around several of its installations, cutting off public access to certain sections and "hardening" electronic communications against outside interference and eavesdropping.

NASA gave a detailed explanation of the latest defense-related developments in the shuttle program last week during a closed session before three House Appropriations subcommittees interested in the massive \$16 billion space shuttle program.

OFFICIALS OF NASA and the Air Force — the lead agency on the defense aspects of the shuttle — made their case for more money to keep the schedule for the shuttle's defense payloads from slipping. According to sources, among the roles for the shuttle that were emphasized were:

- The need to use the shuttle to put up improved spy satellites to give the United States a greater capacity to verify a SALT II treaty. The satellites would help replace the surveillance sites lost in Iran.
- The need to replace current military communication satellites with heavier, "jam-proof" devices that could survive during electronic warfare.

Dr. William J. Perry, defense undersecretary for research and engineer-

ing, told some members of the subcommittees before the hearing that the Defense Department's expanded schedule for use of the shuttle now includes 113 launches during the first 10 years of the program.

To manage the the Air Force's role in the program, Perry explained that Brig. Gen. Ralph Jacobson has been detailed to NASA. The Defense Department also is spending about \$12 million to protect the security of the upper floor of NASA's Johnson Space Center in Houston. Similar changes are under way at the Kennedy Space Center at Cape Canaveral.

NASA AND THE Air Force, according to sources, also are working out new arrangements to have selected astronauts with security clearances fly the shuttle when special defense payloads are to be launched.

Although the Defense Department has been a major partner in the space shuttle program since it was initiated in 1969, the details of that partnership have largely secret. The CIA's role in the program is even more hazy.

"They are an important customer of the Air Force," was the way one source put it.

Last month Sen. Lowell Weicker Jr., R-Conn., one of the earliest supporters of the shuttle, wrote Dr. Robert A. Frosch, administrator of NASA, that he was "disturbed" to learn in a closed briefing by the CIA's Director Stansfield Turner of a "close interface between NASA and the CIA" on the shuttle program.

Weicker said that the development was "contrary" to the traditional separation between the civilian and military space programs, adding that he was "fearful that it may jeopardize the involvement of the scientific community in the peaceful exploration and development of space."

ASKED ABOUT the letter, Weicker said that the intensity of the CIA's involvement in the program came as a "surprise" to him. "Before, when I justified the space program in my state," he said, "I could always differentiate that program from the military."

NASA's latest estimate is that by 1984, when the program's four orbiting four space shuttles are scheduled to be built, the program ahead will have cost \$16 billion, about \$4 billion of that coming from the military.

That amount is about \$600 million higher than NASA had forecast, Frosch has explained, because money has been shifted from the production of the later satellites to the design, development and testing of the first shuttlecraft — Columbia — now scheduled to fly sometime in early 1980.

The crunch will be felt primarily by the last two shuttles, Discovery and Atlantis, which were to have begun operations at Vandenberg Air Force Base in California in 1983 and 1984.

THE TWO SHUTTLES are critical to the Defense-CIA program because Vandenberg is the base where satellites are launched into a polar orbit, regarded as the best orbit for spy satellites.

Members of the House Appropriations Committee appeared to agree with NASA and the Air Force that the money must be found to keep the military project on schedule, but some of them, including a key subcommittee chairman, Rep. Edward P. Boland, D-Mass., have indicated that the money might come "out of NASA's hide," primarily out of its larger science-related space missions.

CONTINUED

Pointing out that the shuttle's schedule has now slipped four times since 1974, Boland, chairman of one NASA-related subcommittee, has said the panel might take the money from NASA's program to launch a space telescope and its planned satellite exploration of Jupiter.

Another committee member, Rep. Gunn McKay, D-Utah, expressed shock at the dramatically increased costs of the program. "Here we are talking about a \$600 million cost overrun. Good Lord, if you had that in the food stamp program . . . it would be the end."

FROSCH COUNTERED by saying that he considered \$600 million "an unusually small price to pay for a very large program which is pushing the state of the art in all directions."

Frosch was backed up by Gen. Thomas P. Stafford, the Air Force's deputy chief of staff for research, who said that most of the communications satellites now used by the military are "easily jammed."

Perry indicated that some of the military projects for the shuttle "enjoy the highest national priority." As an "insurance policy" to assure that these missions are carried out, he explained, the Pentagon has spent some \$200 million for the manufacture of four Titan II rockets.

The rockets would be used to launch military-intelligence payloads, Perry said, if the shuttle's schedule slips further.